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**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

Docket Number (Optional)

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Typed or printed name \_\_\_\_\_

Application Number

10/032,535

Filed

01/02/2002

First Named Inventor

Shaw, John C.

Art Unit

3696

Examiner

Ojo O. Oyeibisi

Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).

Note: No more than five (5) pages may be provided.

I am the

☐ applicant/inventor.

☐ assignee of record of the entire interest.

See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed.  
(Form PTO/SB/96)

☒ attorney or agent of record.

Registration number 46,718

/John A. Galbreath/

Signature

John A. Galbreath

Typed or printed name

410-628-7770

Telephone number

☐ attorney or agent acting under 37 CFR 1.34.

Registration number if acting under 37 CFR 1.34 \_\_\_\_\_

04/03/2008

Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required.

Submit multiple forms if more than one signature is required, see below.

☒ \*Total of 1 forms are submitted.

This collection of information is required by 35 U.S.C. 132. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11, 1.14 and 41.6. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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## **I. AGREEMENTS REACHED IN 2/12/2008 INTERVIEW**

Several agreements on matters of fact were reached between Applicant and Examiners in the 2/12/2008 interview, and these agreements establish the patentability of the claimed invention. The Examiners provided copies of the Interview Summary with the attached agreements to all attendees at the conclusion of the interview. The Office posted the Interview Summary and the agreements to the application file (see the three 3/26/2008 docket entries). The Office also mailed Applicant a copy of the Interview Summary with the attached agreements.

These are now agreed matters of fact between the Office and Applicant. The claim rejections, in light of the agreements, are discussed below:

## **II. INDEPENDENT CLAIMS 52, 62, 105, 115, 148, AND 158 – 103 REJECTION – SEC REFERENCE/LIMITRADER SYSTEM & GUTTERMAN ‘031**

### **A. Neither the SEC Reference Nor Gutterman Disclose the Claims’ Message Sending Component.**

Agreement was reached in the interview that “The LimiTrader system does not have the message-sending component of the invention.” The evidence that supports this agreement is given below (see also Applicant’s Amendment H filed 11/12/2007, page 8-10):

The Final Office Action (page 12) states that the SEC reference meets the message sending component defined in these claims, i.e., “generating a prospective transaction message including the transaction indication corresponding to each of the matching entries, and further providing the prospective transaction message to the user locations associated with said corresponding user identities”. As support, the Office Action cites page 3 of the reference, which states “LimiTrader dials two calls at a time beginning with the longest standing orders first.”

The Final Office Action is incorrect. The “LimiTrader dials two calls at a time” language refers not to dialing the contraparties, but rather to dialing two existing-order parties that are each contra to the party with the just-submitted order.

In other words, LimiTrader does not send a match notification message to both contraparties, as clearly defined in the claim language “generating a prospective transaction message including the transaction indication corresponding to each of the matching entries, and further providing the prospective transaction message to the user locations associated with said corresponding user identities.”

Instead, LimiTrader sends a message only to the party with an existing order that is contra to a just-submitted order: “LimiTrader will dial-up the participant that entered the existing orders.” (see SEC reference, page 3 at \*8). LimiTrader does not notify the party with the just-submitted order, but rather relies on the existing-order party to respond to the notification message and contact the other party to begin the negotiation process: “The first participant so notified that responds to the incoming order may begin an automated negotiation process.” (see SEC reference, page 3 at \*8.) Indeed, after notifying the existing-order party only, the LimiTrader system has nothing further to do with the parties unless a trade results: “The Company is not involved in such negotiation and is not aware that a negotiation is occurring or has occurred

unless a trade results.” (see SEC reference, page 3 at \*8).

Moreover, it cannot be said that the existing-order party acts as a proxy for the system in notifying the party with the just-submitted order of a match, because the existing-order party only contacts the party with the just-submitted order if it wants to. With LimiTrader, the existing-order party decides whether to contact – not the system.

Further, the SEC reference makes no mention of what its notification message contains (i.e., its content), and thus does not meet the part of these claims wherein the notification message is defined as “including the transaction message corresponding to each of the matching entries.” The Final Office Action (see page 12) states that the SEC reference meets this part of the claims, and as support, the Final Office Action again cites page 3 of the reference, which states “LimiTrader dials two calls at a time beginning with the longest standing orders first.” This is incorrect. The cited passage says nothing about what the LimiTrader notification message contains (i.e., its content).

Finally, modifying the SEC reference to meet these key claim aspects would not be obvious, because it would involve significantly changing the very core of the LimiTrader system as detailed in page 3, \*8 of the SEC reference – i.e., the way users are informed of a potential match, as well as the way users interact with the system and with each other. In addition, contacting multiple existing-order parties only, as in LimiTrader, has a speed advantage versus contacting both counterparties. Specifically, if both counterparties are contacted, there is a good chance that one side or the other won’t be interested, and then the system must start all over again. If multiple existing-order parties are contacted first, there is a good chance that at least one of the existing-order parties will be interested, and then when the existing-order party contacts the incoming-order party, the chances that a trade will occur are higher because one party is already interested.

Speed is very important in trading system operations, and clearly it is important to LimiTrader. Indeed, speed is a key reason that LimiTrader calls two existing-order parties at a time – to speed up the trading process and increase the odds that at least one of the existing-order parties will be interested.

In sum, such a change would clearly alter LimiTrader’s operating principles, and thus would not be obvious. As MPEP 2143.01 states:

“If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims *prima facie* obvious. *In re Ratti*, 270 F. 2d 810, 123 USPQ 349 (CCPA 1959)”.

#### **B. Data Security Component of These Claims.**

Applicant’s position is that neither the SEC reference nor Gutterman meet the detailed data security component defined in these claims (see Applicant’s Amendment H, pages 9-10). Nevertheless, in the 2/12/2008 interview Applicant proposed amending the claims to even further define the data security component over the SEC reference and Gutterman. These amendments have not been entered, but they are not necessary in order to define the claims over

the SEC reference and Gutterman – the lack of the claims’ message sending component by itself overcomes the SEC reference and Gutterman.

### **III. INDEPENDENT CLAIMS 1, 18, 35, 51, 78, 94, 121, AND 137 - 103 REJECTION – SEC REFERENCE/LIMITRADER SYSTEM & GUTTERMAN ‘031**

#### **A. Switching the SEC Reference from Individual Dial-Up Input to an Integrated OMS Would Disable Its Important Individualized Features, Rendering Such a Modification Unobvious.**

The Final Office Action did not substantively respond to Applicant’s argument, voiced in Amendment H (filed 11/12/2007, see pages 6-8), that grafting an integrated OMS onto the front end of the LimiTrader system would disable LimiTrader’s important individualized features. So this was discussed at length in the interview, and agreement was reached that “The individualized features in LimiTrader would be cut off if an integrated OMS was grafted onto it.” The evidence that supports this agreement is given below:

Key portions of the LimiTrader system demand individual interaction with the system – the sort of interaction that is readily available with individuals dialing into the system via their PC, but not via an integrated OMS.

For example, the LimiTrader system offers individual users non-automated assistance, such as advice on a bid or offer, assistance with a computer or communications problem, and market information (see SEC reference, page 9 at n2; page 5 at n10). This can be easily done when individuals dial into the system via their PCs, but not via an integrated OMS which makes use of only the data available in the OMS.

Said another way, when you choose to interpose an OMS between individual users and the central system, you lose the ability to dictate how initial data entry and storage will be done. Instead, you get only the information that is available in the OMS, and you do not get to receive into your central system additional information like individualized non-automated assistance requests. Indeed, the only way to receive such additional information is by also modifying the OMS itself, before integrating it with the central system – and this certainly would not be obvious, given that these OMSs are separately-owned and not freely modifiable. Said yet another way, in order to retain LimiTrader’s individualized features, one would have to first modify the OMS, then also modify the LimiTrader system by grafting the OMS onto it. This kind of double, sequential modification is clearly outside the realm of obviousness.

The diagram in Applicant’s Amendment H (page 7) illustrates this point very well, and the declaration of Steven Levy, an expert in order management systems, substantiates it (see also Amendment H, Appendix Exhibits 1 and 2):

“The OMS’s in existence as of May 1999 (the priority date for the subject patent application) were not configured for the features described in the SEC reference, i.e., non-automated bid or offer advice and market information, nor were they capable of handling such features without prior modification to the OMS offering. Said another way, users could not have obtained such assistance via an OMS, without first modifying the OMS offering to enable these features.”

In sum, modifying the SEC reference to receive indications of interest or prospective transaction entries via an integrated OMS would disable its individualized features – which are important, advantageous parts of the LimiTrader system. A modification which renders the prior art unsatisfactory is simply not obvious, as stated in MPEP 2143.01:

“If [the] proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984)”.

**B. Switching the SEC Reference from Individual Dial-Up Input to an Integrated OMS Would Also Negate The Advantages of Its Simple Dial-Up System, Also Rendering Such a Modification Unobvious.**

Applicant pointed out in Amendment H (see pages 5-6) that switching the SEC reference from individual dial-up input to an integrated OMS would alter its dial-up operating principle, and thus negate the advantages of a simple dial-up system that operates on standard telephone circuits, through the existing publicly-available telecom network. These simplicity advantages, which allow a great number of users to connect with and use the system easily, without having to employ complex software, are clearly an intended purpose of the LimiTrader system. Indeed, the simplicity advantages are touted in the SEC reference.

More specifically, the LimiTrader system is positioned as advantageous because it is a simple dial-up system that operates on standard telephone circuits, through the existing publicly-available telecom network. Switching the system to an integrated OMS for input purposes would negate these advantages and would instead require the complex integration of secure, private telecom circuits.

In sum, Applicant pointed out that modifying the SEC reference to use an integrated OMS would negate the advantages of its simple dial-up system – and a simple dial-up system is an intended purpose of the LimiTrader system, touted in the SEC reference. A modification which renders the prior art unsatisfactory is simply not obvious, as MPEP 2143.01 states:

“If [the] proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984)”.

In response, the Final Office Action stated that it was not necessary to change the LimiTrader’s dial-up operating principle in order to have an integrated OMS, and that an OMS could be implemented using the LimiTrader’s “robust” dial-up system over regular phone lines (see pages 18-19). This was discussed at length in the interview, and agreement was reached that “Regarding phone lines, it is possible to make an OMS function over regular phone lines, but it would be sub-optimal and slow.”

Thus, the non-obviousness of making the proposed modification is inescapable – in order to make an integrated OMS work with the LimiTrader system, one must either:

- 1) Switch from a dial-up system, altering a basic operating principle of LimiTrader and negating the touted advantages of LimiTrader's simple dial-up system,

OR:

- 2) Try to make the OMS function with LimiTrader's existing dial-up system over regular phone lines, in which case LimiTrader would be rendered sub-optimal and slow.

Either way, the proposed modification is disadvantageous – not advantageous – and it is therefore not obvious.

#### **IV. DEPENDENT CLAIMS**

As discussed above, independent claims 1, 18, 35, 51, 52, 62, 78, 94, 105, 115, 121, 137, 148, and 158 define patentably over the cited prior art, and thus their respective dependent claims 2-17, 19-34, 36-50, 68-77, 53-61, 63-67, 79-93, 95-104, 106-114, 116-120, 122-136, 138-147, 149-157, and 159-163 also define patentably for the same reasons.

#### **V. SPECIAL STATUS**

Applicant respectfully reminds the Office that his application has special status, and thus the panel review should be conducted with all possible dispatch.